

which advice can be sold such that there is a viable established market for that advice and the associated price for that advice to the market is optimized. This value is likely to be relatively similar irrespective of the particular circumstance with the exception of the fact that the market may possibly "perceive" the value of the advice to be greater (or less) than it actually is, statistically speaking (e.g., the stock tends to be a bit unpredictable. For example, there have been a few isolated wild successes in the advisor's history). In addition this optimization varies according to the amount of personally invested funds which the advisor has made in his/her own advice.

The terms of the associated buyer-seller transaction may be either based upon a direct sale, a percentage of the resulting increase in valuation and/or percentage of the investment made by the consumer of the advice. The second means of compensation would likely, of course, provide the greatest incentive to the advisor to provide valuable advice.

SUMMARY

A method of using natural language processing (NLP) techniques is presented in order to extract information from online news feeds and then using the information so extracted to predict changes in stock prices or volatilities. These predictions can be used to make profitable trading strategies. More specifically, company names can be recognized and simple templates describing company actions can be automatically filled using parsing or pattern matching on words in or near the sentence containing the company name. These templates can be clustered into groups, which are statistically correlated with changes in the stock prices.

CLAIMS

Claim 1 – System using content analysis to extract information from on-line information feeds in order to predict changes in stock prices in order to make stock trading strategies.